

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 913 – SB 1811

March 31, 2011

SUMMARY OF AMENDMENT (005451): Deletes the original bill. Authorizes, after July 1, 2011, the maximum travel and supplemental expense allowances paid to members of boards of public utilities to be increased.

FISCAL IMPACT OF ORIGINAL BILL:

Increase Local Expenditures – \$365,400*

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase Local Expenditures – \$365,400/Permissive

Assumptions applied to amendment:

- According to the Tennessee Municipal Technical Advisory Service, 29 municipalities have municipal electric or public utility boards. Each board has approximately 7 members resulting in 203 members (7 members x 29 boards) statewide.
- Local boards meet monthly.
- Increasing by \$100 (from \$200 to \$300) the monthly travel and expense allowance for board members will result in a permissive increase to local government expenditures of \$243,600 (\$100 x 203 x 12 months).
- Increasing by \$50 (from \$100 to \$150) the monthly supplemental allowance for board members will result in a permissive increase to local government expenditures of \$121,800 (\$50 x 203 members x 12 months).

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- The total permissive increase to local government expenditures will be \$365,400 (\$243,600 + \$121,800).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/agl